

Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Oren J. Warshavsky
Keith R. Murphy

Hearing Date: April 16, 2015 at 10:00 a.m.
Objections Due: April 9, 2015 at 5:00 p.m.

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of the estate
of Bernard L. Madoff Investment Securities LLC and
the estate of Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

DEFENDER LIMITED, et al.,

Defendants.

Adv. Pro. No. 10-05229 (SMB)

**NOTICE OF MOTION FOR ENTRY OF AN ORDER PURSUANT TO
SECTION 105(a) OF THE BANKRUPTCY CODE AND RULES 2002
AND 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
APPROVING A SETTLEMENT AGREEMENT BY AND AMONG
THE TRUSTEE AND DEFENDER LIMITED, RELIANCE
MANAGEMENT (BVI) LIMITED, RELIANCE INTERNATIONAL
RESEARCH LLC, RELIANCE MANAGEMENT (GIBRALTAR)
LIMITED, TIM BROCKMANN, AND JUSTIN LOWE**

PLEASE TAKE NOTICE that Irving H. Picard (the “Trustee”), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-*lll*, and the substantively consolidated estate of Bernard L. Madoff (“Madoff”), by and through his undersigned counsel, will move before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, at the United States Bankruptcy Court, the Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004, on April 16, 2015 at 10:00 a.m., or as soon thereafter as counsel may be heard, seeking entry of an order, pursuant to section 105(a) of the United States Bankruptcy Code and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving a certain settlement agreement by and among the Trustee and Defender Limited, Reliance Management (BVI) Limited, Reliance International Research LLC, Reliance Management (Gibraltar) Limited, Tim Brockmann and Justin Lowe, as more particularly set forth in the motion annexed hereto (the “Motion”).

PLEASE TAKE FURTHER NOTICE that written objections to the Motion must be filed with the Clerk of the United States Bankruptcy Court, One Bowling Green, New York, New York 10004 by no later than **5:00 p.m. on April 9, 2015** (with a courtesy copy delivered to the Chambers of the Honorable Stuart M. Bernstein) and must be served upon (a) Baker & Hostetler LLP, 45 Rockefeller Plaza, New York, New York 10111, Attn: Oren J. Warshavsky and Keith R. Murphy; (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019, Attn: Gary S. Lee and John Pintarelli; (c) Seward & Kissel LLP, One Battery Park Plaza, New York, NY

10004, Attn: Mark Hyland; and (d) Securities Investor Protection Corporation, 805 Fifteenth Street, N.W., Suite 800, Washington, DC 20005, Attn: Kevin Bell. Any objections must specifically state the interest that the objecting party has in these proceedings and the specific basis of any objection to the Motion.

PLEASE TAKE FURTHER NOTICE that failure to file timely objections may result in the entry of an order granting the relief requested in the Motion without further notice to any party or an opportunity to be heard.

Dated: New York, New York
March 23, 2015

Respectfully submitted,

BAKER & HOSTETLER LLP

By: s/ Keith R. Murphy
David J. Sheehan
E-mail: dsheehan@bakerlaw.com
Oren J. Warshavsky
E-mail: owarshavsky@bakerlaw.com
Keith R. Murphy
E-mail: kmurphy@bakerlaw.com

45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201

*Attorneys for Irving H. Picard,
Trustee for the Substantively Consolidated
SIPA Liquidation of the estate of Bernard L.
Madoff Investment Securities LLC and the
estate of Bernard L. Madoff*

Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Oren J. Warshavsky
Keith R. Murphy

Hearing Date: April 16, 2015 at 10:00 a.m.
Objections Due: April 9, 2015 at 5:00 p.m.

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and
the estate of Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

DEFENDER LIMITED, et al.,

Defendants.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-05229 (SMB)

**MOTION FOR ENTRY OF AN ORDER PURSUANT TO SECTION 105(a) OF
THE BANKRUPTCY CODE AND RULES 2002 AND 9019 OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE APPROVING A SETTLEMENT
AGREEMENT BY AND AMONG THE TRUSTEE AND DEFENDER LIMITED,
RELIANCE MANAGEMENT (BVI) LIMITED, RELIANCE INTERNATIONAL
RESEARCH LLC, RELIANCE MANAGEMENT (GIBRALTAR)
LIMITED, TIM BROCKMANN, AND JUSTIN LOWE**

TO: THE HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE:

Irving H. Picard (the “Trustee”), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-III (“SIPA”)¹ and the substantively consolidated estate of Bernard L. Madoff (“Madoff,” and together with BLMIS, the “Debtors”), by and through his undersigned counsel, submits this motion (the “Motion”) seeking entry of an order, pursuant to section 105(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), approving a settlement, the terms and conditions of which are set forth in an agreement (the “Agreement”)² by and among the Trustee on the one hand, and Defender Limited (“Defender”), Reliance Management (BVI) Limited (“Reliance BVI”), Reliance International Research LLC (“RIR”), and dismissed defendants Reliance Management (Gibraltar) Limited (“Reliance Gibraltar”), Tim Brockmann (“Brockmann”), and Justin Lowe, on the other hand (“Lowe,” and together with Defender, Reliance BVI, RIR, Reliance Gibraltar and Brockmann, the “Defendants,” and collectively with the Trustee, the “Parties”). In support of the Motion, the Trustee respectfully

¹ Further citations to SIPA will omit “15 U.S.C.” and refer only to the relevant sections of SIPA.

² A copy of the Agreement is attached hereto as Exhibit A.

represents as follows:

PRELIMINARY STATEMENT

The Trustee commenced an action against Defender and the other Defendants in this adversary proceeding to recover fraudulent and preferential transfers regarding Defender's BLMIS Account No. 1FR132 (the "Account"). The Trustee's action sought the recovery of transfers aggregating ninety-three million (\$93,000,000) dollars (the "Transfers").

The Parties ultimately agreed to have the matter submitted to mediation. Following mediation, the Parties continued their discussions and negotiations, and ultimately reached a consensual resolution. The Parties entered into the Agreement, which represents a good faith, complete settlement of all disputes between the Trustee and the Defendants raised in this adversary proceeding and the customer claim Defender submitted in connection with its Account (the "Defender Customer Claim"). By the Agreement, the Trustee will recover 100 percent of the fraudulent transfers and preference payments aggregating \$93,000,000 that he sought to avoid and recover from Defender ("Settlement Payment"). The Trustee will allow the Defender Customer Claim in full, plus 88% of the amount of the Settlement Payment. In addition, certain of the Defendants will respond to discovery requests and appear for depositions in another adversary proceeding wherein the Trustee is seeking to recover more than half a billion dollars of customer property. The Trustee's settlement with the Defendants will obtain a significant, direct monetary benefit for the estate, and will dispose of the pending motion to dismiss challenging personal jurisdiction filed by several of the Defendants. The settlement also will further the Trustee's avoidance and recovery efforts in other proceedings through discovery. The Trustee therefore respectfully requests that the Court approve this settlement.